

stc

Reference Offer (RO)

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1. Framework

Pursuant to Article 41 of the Telecommunications Bylaw (the Bylaw), and Clauses 3.1 and 3.2 of the Interconnection Regulations, STC publishes this Reference Offer (RO) which provides a set of standard technical and commercial terms and conditions for interconnection and other wholesale services, and forms the basis for entering into an Interconnection and/or other wholesale services Agreement between stc and any requesting Other Licensed Operator (OLO).

Pursuant to Article 38 of the Bylaw and , as per Market Definition, Designation and Dominance (MDDD) Report December 2020, issued by CITC, stc has been designated as being a Dominant Service Provider in the Kingdom of Saudi Arabia in certain specified retail and wholesale markets.. The provisions of this RO comply with the requirements of the regulatory framework as set out in the Telecommunications Act, the Bylaw, the Ordinance of the Communications Commission and the Interconnection Regulations. In particular, the specific obligations arising under the regulatory framework relating to Dominant Service Providers are observed herein.

stc hereby offers to interconnect the stc Network with the Network of a requesting Other Licensed Operator and to supply services and facilities on the terms and conditions as provided for in this RO. stc undertakes to act in good faith in the negotiation of a Network Plan with any Other Licensed Operator.

The Other Licensed Operator, by requesting Interconnection with stc, or any other wholesale services (including some selected Access to Physical Facility services that could be provided presently by stc as agreed with CITC) warrants that it has in full force and effect the authorisations stipulated in the Interconnection Regulations to enter into an agreement arising from an acceptance of this RO.

stc and the requesting Other Licensed Operator recognise the necessity of effective Interconnection of their Networks in the provision of quality Telecommunications Services to their respective customers. stc and the Other Licensed Operator believe that a fundamental principle of Interconnection is to enable customers of stc and the Other Licensed Operator to communicate effectively with customers of the other Network and that accordingly:

- stc and the Other Licensed Operator shall exchange information in order to make Interconnection effective, without prejudice to commercial confidentiality.
- stc and the Other Licensed Operator shall at all times, as far as is reasonably possible, act so as to facilitate the speedy and effective operation of interconnection and other wholesale services set out under this RO, to the benefit of customers and to mutual advantage of stc and the Other Licensed Operator.
- stc and the Other Licensed Operator will cooperate to achieve feature transparency of supplementary services between interconnected networks as far as is reasonably possible.
- stc and the Other Licensed Operator shall provide to each other, upon request, details of active number ranges and shall be obliged to advise each other from time to time of the opening of any new number ranges in accordance with the National Numbering Plan approved by CITC.
- stc and the Other Licensed Operator shall work jointly to ensure the overall quality of the any-to-any communication (voice, data, fixed, mobile, etc) which are made via an interconnection point and their own networks. stc and the Other Licensed Operator shall adopt general principles regarding standards, techniques and methods in order to guarantee the quality of telecommunication networks and in services, as stipulated in ITU-T and ETSI appropriate technical standards.
- In implementing services and facilities under this RO, stc and the Other Licensed Operator shall endeavour to minimise the attendant costs, provided that this does not result in additional cost attribution to other products and services provided by either stc or the Other Licensed Operator and is consistent with agreed quality standards.
- stc and the Other Licensed Operator shall treat each other in a fair and professional manner.

2. Definitions and Interpretation

In this RO, except if the context requires otherwise, words and expressions are as defined in Annex A (Definitions and Glossary of Terms).

Without prejudice to the rights of stc, in the event of conflict or ambiguity between the terms defined in the governing laws and regulations in respect of this RO, the following order of precedence shall apply.

- a) The Telecommunications Act
- b) The Ordinance of the Communications Commission
- c) The Telecommunications Bylaw
- d) The Interconnection Regulations or Regulations for Access to Physical Facilities

In the event of conflict or ambiguity between the provisions of the Interconnection Regulations or Regulations for Access to Physical Facilities, this RO (including any attachments, appendices or annexes hereto) and any Interconnection and/or wholesale service Agreement entered into between stc and an Other Licensed Operator pursuant to negotiations based on this RO, and subject to Clause 2 hereof, the following order of precedence shall apply:

- a) The Interconnection Regulations or Regulations for Access to Physical Facilities
- b) This Reference Offer
- c) Any Interconnection and/or wholesale services Agreement pursuant to this RO.

3. Network Interconnection

Interconnection between the stc Network and the Other Licensed Operator's Network at each Point of Interconnection shall be achieved initially through two Interconnect Links and to be assessed and enhanced as due course. Each Interconnect Link shall create a connection between one of the stc Interconnect Nodes and one of the Other Licensed Operator's service nodes. Details of how this shall be achieved are set out in Annex C (*Technical Information*). Interconnection is available at each of the stc Interconnect Nodes listed at Annex C Attachment 2. The Other Licensed Operator may interconnect at any of these Interconnect Nodes subject to that Interconnect Link being bi-laterally agreed in the Network Plan. The technical standards supported by the stc Network for the purposes of Interconnection are set out in Annex C (*Technical Information*) as amended from time to time.

On requesting Interconnection from stc, the Other Licensed Operator shall:

- Provide a detailed statement of its technical requirements for Interconnection Services in respect of this RO as outlined in Schedule G and in Section 1.6.4 of Annex H. This statement of requirements must be sufficiently detailed for stc to design a solution for the Other Licensed Operator's Interconnection requirements.
- If the statement of requirements is considered by stc to be insufficient to set out a comprehensive technical solution, stc shall notify the Other Licensed Operator within five (5) Business Days of receipt of the statement of requirements. This notification shall include a list of detailed questions and requests for data that are not supplied within the Other Licensed Operator's statement of requirements.
- If the statement of requirements is sufficient to enable stc to design and document a comprehensive technical solution for the Other Licensed Operator's interconnection requirements, stc shall dispatch a documented solution to the Other Licensed Operator within one (1) Calendar Month of receipt of the satisfactory statement of requirements.

- stc and the Other Licensed Operator shall negotiate in good faith with a view to reaching agreement on a comprehensive Network Plan within one (1) Calendar Month of stc's notification of the stc proposed technical solution being received by the Other Licensed Operator, unless otherwise agreed between stc and the Other Licensed Operator in writing.
- Once the technical solution is agreed between stc and the Other Licensed Operator, the solution shall become known as the Network Plan and shall be included in the proposed Interconnection Agreement between stc and the Other Licensed Operator.
- Interconnection Links shall be provided using either Customer Sited Interconnection as defined in Service Schedule (3A) (Customer Sited Interconnect Link Service) of Annex G ((Service Schedules) hereto, or, if appropriate, In Span Interconnection as defined in Schedule (3B) (In Span Interconnect Link Service) of Annex G (Service Schedules).
- The actual Point of Interconnect (POI) shall be where the stc Network connects with the Other Licensed Operator's Network and represents a demarcation point for regulatory purposes. In the case of the Customer Sited Interconnection, it shall be a physical point, for example, a digital distribution frame, where the connection can be disconnected in order to conduct testing. In the case of In-Span Interconnection, it shall be the point within the footway box where the duct from the Other Licensed Operator's premises containing the relevant fibre optical cable is jointed to the footway box wall.
- stc and the Other Licensed Operator shall be responsible for providing sufficient capacity at the POI to meet the agreed forecast traffic contained in the Network Plan, as described in Annex H (Operations and Maintenance Manual).
- Each Licensed Operator shall be responsible for the operation and maintenance of the transmission equipment on their respective sides of the POI.

- Separate Interconnect Links may be provided to carry the traffic of each Licensed Operator. The cost of both installation and ongoing maintenance of each Interconnect Link shall be borne in full by the Licensed Operator owning (sending) the traffic on that Interconnect Link. Initially Uni-directional Links will be utilised. Bi-directional Links may also be utilised when this represents the optimal method of handling the traffic consistent with sound engineering practices. In the latter instance of Bi-directional Links, costs for installation and ongoing maintenance shall be shared. The terms and conditions for stc Interconnect Link Services are attached in Annex G (Service Schedules) and the Annex F (Price List) hereto.
- The ordering periods for new Interconnect Links shall be as defined in Annex I (Quality Of Service Measures and Service Level Agreement).
- The Quality of Service Measures and Service Level Agreement provide details on the timescales for delivery of services and the in-service quality standards.

4. Interconnection and other Wholesale Services

The Service Schedules (Annex G (Service Schedules) hereto) provide details of the Interconnection and other Wholesale Services offered by stc (including some selected Access to Physical Facility services that could be provided presently by stc as agreed with CITC). These schedules include:

- a) A definition and description of each Interconnection Service offered by stc.
- b) A description of the terms and conditions under which each Interconnection and other wholesale Service is offered.
- c) Details of the charging structure and charging arrangements for each Interconnection Service and for each other wholesale Service.

5. Charging for Interconnection and other Wholesale Services

The charging structure for each Interconnection and any other wholesale service is described in each service schedule as set out in Annex G (Service Schedules) hereto. The method of reviewing the charges given in the service schedules is described in Clause 23, Review, hereof.

The charges for each Interconnection and any other wholesale service included in this RO are set out in Annex F (Price List). stc may review and, subject to the approval of CITC, amend the price list from time to time. Such amended price list will be published and notified to the Other Licensed Operator, following approval by CITC, with not less than twenty eight (28) Calendar Days' notice of effecting any new charges for Interconnection services.

For voice calls, the chargeable time for each call, unless specifically stated as otherwise, shall be the "conversation time" in accordance with Section 1.2.2 of CCITT Recommendation D.150 (version Mar del Plata, 1968; amended at Melbourne, 1988).

Charges shall not be payable under this RO by either Licensee to the other for unsuccessful calls. Successful calls shall be defined as those calls that have passed across a POI and received an answer signal returned by the other Party's Network.

Price changes for services contained within this RO Annex F (Price List) will become effective subsequent to their approval by CITC, and pursuant to the following conditions:

- For wholesale services specified for a fixed contract period: revised prices are only applicable to the new contracts concluded after the effective date of such approved revised prices, and shall not have retroactive effect with respect to the current contracts already concluded before the effective date of the approved revised prices.
- For the usage based bilateral services: revised prices are only applicable after the effective date of such approved revised prices which are symmetrical and requires settlement between operators during a specified period of time (e.g. on a quarterly basis). For the avoidance of doubt, if the revised prices are applicable on February 20, 2022 for example, the settlement of the first quarter of 2022 will take place in two (2) phases: the first phase, settlement shall be on basis of the current prices before the effective date of applying the revised prices (for the period from January 01, 2022 until February 19, 2022), and for the second phase, settlement shall be on basis of the revised prices (for the period from February 20, 2022 until March 31 2022), and the quarterly periods following the first quarter of 2022 will be settled according to the revised prices automatically.

- For wholesale services specified for automatic renewal contracts: if the current contract has been automatically renewed before the effective date of the approved revised prices, then the prices included in such current contract shall be applied until the expiry date of the current contract, and the revised prices shall be applicable only at the starting date of the contract automatically renewed after the effective date of the approved revised prices.
- For wholesale services IRU contracts: current IRU prices applied before the effective date of the approved revised prices shall continue applicable until the expiry date of the IRU contract, and then the revised prices shall be applicable to the extended or renewed IRU contract. For the avoidance of doubt, for example, if the current IRU contract was concluded on December 20, 2021 for example and for a period of fifteen (15) years based on the current prices and the effective date of the revised prices is February 20, 2022, then the current prices shall remain in effect until the expiry date of the IRU contract on December 19, 2036, then the approved revised prices applicable at such expiry date shall be applicable to the extended or renewed IRU contract.
- For wholesale services offered based on Commitment Period contracts: current prices applied before the effective date of the approved revised prices shall continue applicable until the end of the commitment period, and then the revised prices shall be applicable to the extended or renewed contracts.

6. Technical Aspects

Annex C (Technical Information) hereto contains information including the following:

- a) Service configuration
- b) Technical characteristics
- c) Network interconnection links and routing
- d) Switching network interconnection
- e) Transport network interconnection
- f) Signalling network interconnection
- g) Interface standards
- h) Synchronisation

- i) Safety standards

7. Numbering

Each Licensed Operator shall use number ranges allocated to them in accordance with the National Numbering Plan as administered by CITC.

stc and the Other Licensed Operator's number ranges shall be detailed in the Network Plan.

The presentation of CLI shall comply with all the requirements of the Interconnection Regulations.

8. Operational Aspects

The operational aspects of Interconnection and wholesale services (including some selected Access to Physical Facility services that could be provided presently by stc as agreed with CITC) are contained within Annex H (Operations and Maintenance Manual) hereto. This includes information on the following:

- a) Transmission Management
- b) Interconnection Traffic Management
- c) Fault Management
- d) Interconnection and other service operation and maintenance processes
- e) Site Access Procedure
- f) Network Planning
- g) Provisioning

9. Quality of Service Measures and Service Level Agreements

Consistent with Article 41 of the Bylaw, stc shall provide Interconnect and other Wholesale Services to another Licensed Operator at the same quality of service level as for similar services provided wholly within stc's own Network.

stc and the Other Licensed Operator shall use their reasonable endeavours to meet the target Unsuccessful Call Termination Ratio as specified in Annex I (*Quality of Service Measures and Service Level Agreements*) hereto. .

Both stc and the Other Licensed Operator shall use their best endeavours to meet the targets set out in Annex I (*Quality of Service Measures and Service Level Agreements*) for all elements of the Interconnection on their Networks.

10. Network Design and Planning

Network design and planning of the Interconnection shall be in accordance with the Network Plan as agreed between stc and the Other Licensed Operator. The Network Plan shall relate to the next two (2) years and be prepared jointly by both Parties.

The Network Plan shall be reviewed and updated by stc and the Other Licensed Operator on a frequency to be agreed between both stc and the Other Licensed Operator by the Technical Review Committee. In any case, the maximum period between reviews shall not exceed one (1) year and the revised plan agreed no later than the end of June of each year.

In addition to the production of the Network Plan, stc and the Other Licensed Operator shall revise the forecasts for Interconnect Links as per the procedure set out in Annex E (*Forecasting*). The agreed forecast shall be considered as part of the Network Plan.

The forecasts provided by stc and the Other Licensed Operator represent the good faith expectations of each Party of the capacity requirements on the Interconnect Links.

Both stc and the Other Licensed Operator reserve the right to recover from the other Party unavoidable costs incurred as a result of the shortfall in capacity ordered according to the forecasting procedures set out in the Annex E (*Forecasting*).

11. Network Alteration and Data Management Amendments

Network Alteration

- At least one (1) Calendar Months' notice shall be provided by the requesting Licensed Operator for each Network Alteration request. The requested Licensed Operator shall, if in a position to accept the Network Alteration proposed, provide an estimate of the costs involved within one (1) Calendar Month of receipt of a Network Alteration request.

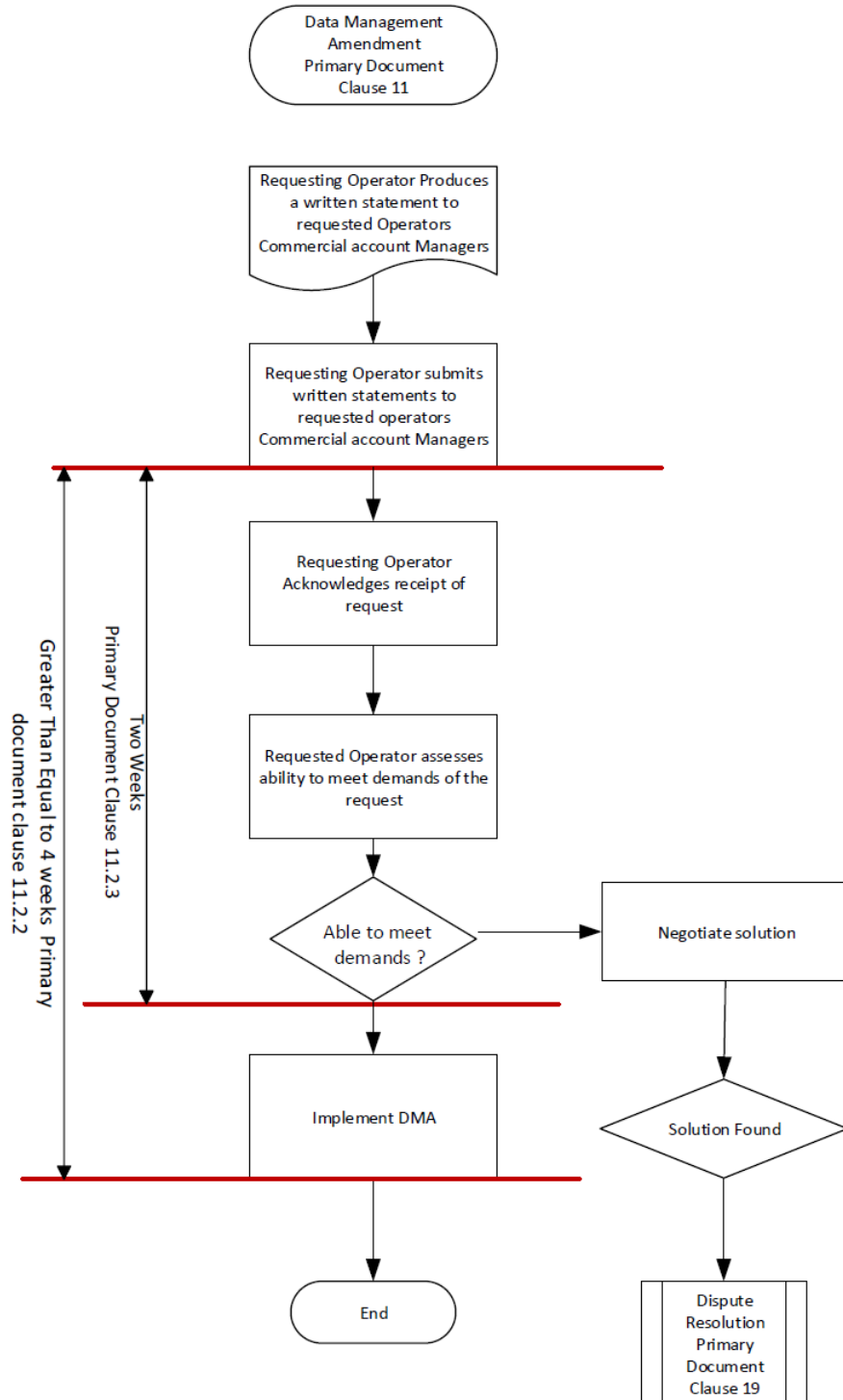
- Except where the Network Alteration is agreed or where the alteration is part of a planned upgrade programme, the requesting Licensed Operator shall pay the costs of the Other Licensed Operator where their alterations cause the Other Licensed Operator to change its system to continue to convey Calls. In cases where the Network Alteration is to the mutual benefit of both stc and the Other Licensed Operator, each party shall bear its own costs.
- Network Alterations shall be carried out within the timescales laid down in this Clause 11. If a requested Licensed Operator believes that it is not in a position to proceed with the requested Network Alteration, either within the timescales requested or in any circumstances, the requesting Other Licensed Operator shall be advised within two (2) weeks of receipt of the request. In these circumstances stc and the Other Licensed Operator shall make all reasonable efforts to resolve the situation, including recourse to the dispute resolution process as per Clause 20, Resolution of Disputes, hereof.

Data Management Amendments

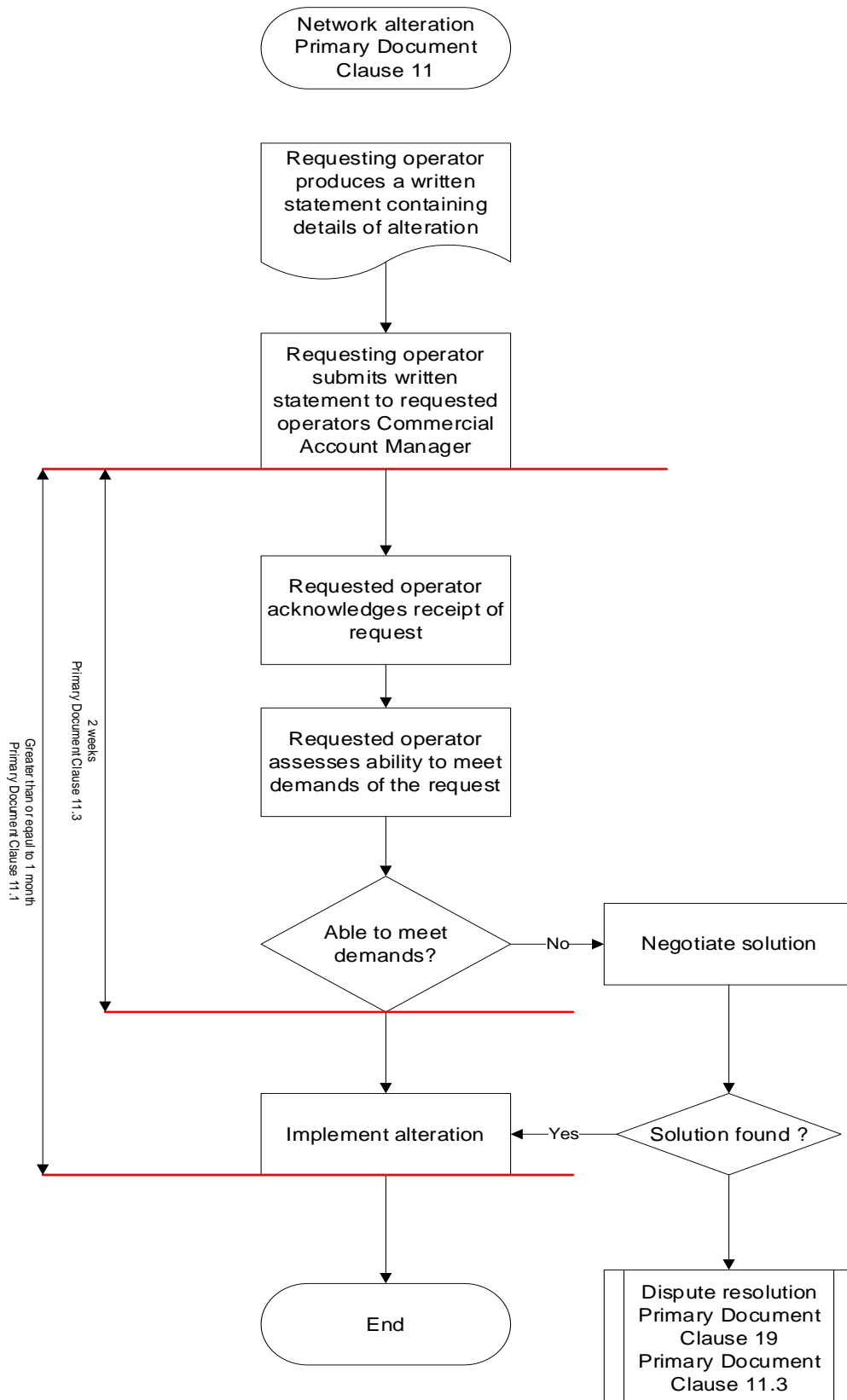
- stc and the Other Licensed Operator shall endeavour to minimise the number of Data Management Amendments in each other's Network by minimising the level of digit analysis carried out in their respective Networks to that required to ensure efficient Call routing and provide agreed Billing Information.
- In order to ensure the timely implementation of Data Management Amendments, notice of Data Management Amendments shall be provided by the Licensed Operator requesting the amendment at least seven (7) weeks in advance of the requested implementation date.
- Data Management Amendments shall be carried out within the time-scales laid down in this Clause 11. If a requested Licensed Operator believes that it is not in a position to proceed with the requested Data Management Amendment, either within the timescales requested or in any circumstances, the requesting Licensed Operator shall be advised within two (2) Weeks of receipt of the request. In these circumstances stc and the Other Licensed Operator shall make all reasonable efforts to resolve the situation, including recourse to the dispute resolution process as per Clause 20, Resolution of Disputes, hereof.

- Data Management Amendments required to activate new geographic or mobile customer number ranges allocated or amended by CITC shall be carried out on a free of charge basis.
- In relation to all other Data Management Amendment requests, where it is to the mutual benefit of both stc and the Other Licensed Operator, each party shall bear its own costs.
- In all other cases, the requesting Licensed Operator shall pay all the amendment costs of the other Licensee.

Data Management Amendment Flow Diagram



Network Alteration Flow Diagram



12. New Services

stc or the Other Licensed Operator may, at any time, request from the other an agreement to interconnect their respective Networks for the provision of any service or facility which the other provides either to itself or under an Interconnection and/or any other wholesale services Agreement with another Licensed Operator. Such requests shall be clearly marked as a request for a new service pursuant to this Clause 11.

Following a request pursuant to Clause 11 stc or the Other Licensed Operator shall, whilst observing the provisions of Clause , treating the other Party in a fair and professional manner, offer the other the service or facility on its then current standard tariff terms and conditions. stc and the Other Licensed Operator shall at all times, as far as is reasonably possible, act so as to facilitate the speedy and effective provisioning and operation of the new service requested under this Clause 12, to the benefit of customers and to the mutual advantage of both stc and the Other Licensed Operator.

If the Other Licensed Operator requests from stc an offer for Interconnection for the provision of a service which stc is obligated to provide under the terms of the RO, stc and the Other Licensed Operator shall enter into good faith negotiations for the provision of such service.

The requesting operator shall provide the requested operator with a written statement of its requirements at the time of its request. Receipt of such requests shall be acknowledged not later than five (5) Business Days after receipt by exchange of confirmed emails or by personal delivery to the HQ of each Operator.

Not later than one 15 Calendar days , unless otherwise agreed by stc and the Other Licensed Operator, after receipt of a statement of requirements, the requested operator shall notify the requesting operator whether the statement of requirements is sufficient. If not, the requested operator shall request any further clarification it may reasonably require within two (2) weeks after notifying to the requesting operator that the provided statement of requirements is insufficient.

Subject to the requesting Other Licensed Operator's statement of requirements being sufficient, the requested Licensed Operator shall confirm in writing whether it accepts an obligation to enter into an agreement not later than thirty (30) Calendar Days after the receipt of the statement of requirements.

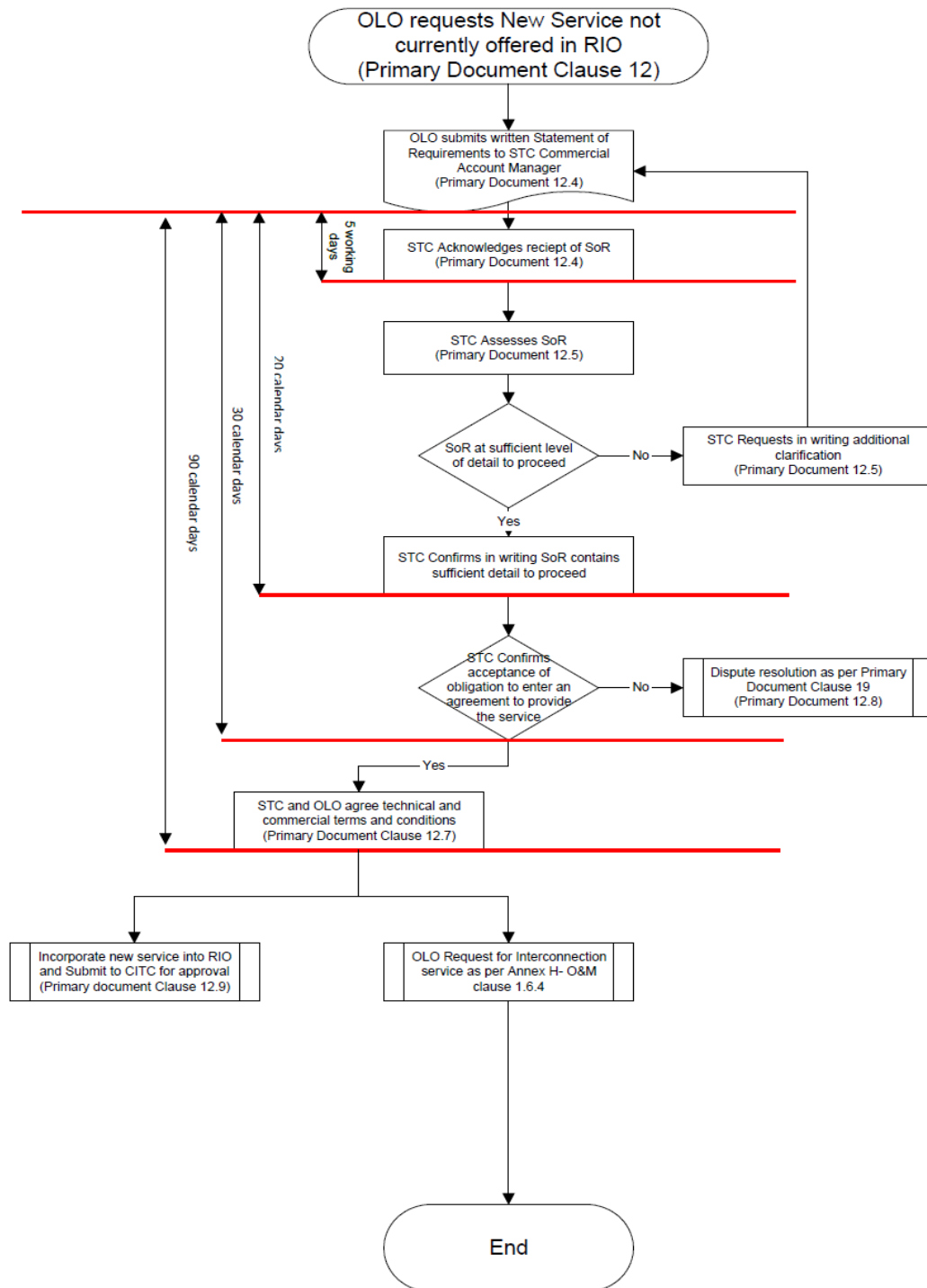
If the requested Licensed Operator does accept an obligation to do so, stc and the Other Licensed Operator shall endeavour to agree the technical, operational and commercial aspects of Interconnection within ninety Calendar Days (90) after acceptance of the statement of requirements.

If the requested Licensed Operator does not accept an obligation, a Dispute may be deemed to have arisen between the Licensed Operators, and the Other Licensed Operator may invoke the provisions of Clause 20, Resolution of Disputes, hereof. Negotiations to agree terms for interconnection may nevertheless continue pending resolution of the Dispute.

If the request is for a new Interconnection or any other wholesale service, the agreed technical, operational and commercial terms shall be incorporated into a revision to this RO and submitted to CITC for approval. Such terms shall be included in the Interconnection and/or any other wholesale services Agreement as appropriate.

Any withdrawal of an Interconnection service shall be notified to CITC for approval and to the Other Licensed Operator two (2) Calendar Months in advance of the proposed date of withdrawal.

New Services Process Flow Diagram



13. Management of Interconnection and other Wholesale Services

Interconnection and other Wholesale Services (including some selected Access to Physical Facility services that could be provided presently by stc as agreed with CITC) will be managed through a Technical Review Committee. This committee shall be comprised of both commercial and technical representatives from stc and the Other Licensed Operator.

All planning activities will be coordinated through this Technical Review Committee in accordance with the procedures laid out in Annex D (Management of Interconnection and other Wholesale Services).

The commercial representatives will be responsible for the management and administration of all commercial aspects of Interconnection including but not limited to ordering processes and reconciliation of billing data in accordance with Clauses 8, Operational Aspects, and 15, Measurement of Traffic Volume, as well as Annex C (Technical Information).

14. Service Level Agreement

The responsibility for SLA measurements shall reside with stc and the Other Licensed Operator.

15. Measurements of Traffic Volumes

The responsibility for traffic volume measurements shall reside with the billing Licensee responsible for that particular Interconnection service.

Both stc and the Other Licensed Operator shall ensure that it records measurements of traffic volumes in sufficient detail to meet its obligations as outlined in Annex G (Service Schedules) and Annex B (Billing Processes and Procedures) attached hereto.

16. Billing and Payment

stc and the Other Licensed Operator shall bill and reimburse the other in accordance with the procedures outlined in Annex B (Billing Processes and Procedures).

The charges in this RO are exclusive of Government Royalty, Taxes and Licence Fees unless such charges are stated to be inclusive of Government Royalty, Taxes and Licence Fees. Government Royalty, Taxes and Licence Fees shall be charged in addition where appropriate on stc invoices resulting from an acceptance of this RO.

Invoices are due and payable in Saudi Riyals. Invoices will be dated as of the date of issue of the invoice (the "Issue Date") and are payable on or before the "Due Date" which is thirty (30) Calendar Days from the Issue Date, in accordance with the provisions of Annex B (Billing Processes and Procedures).

stc shall provide to the Other Licensed Operator, invoices of all amounts due to stc, calculated in accordance with the provisions of Annex B (Billing Processes and Procedures) and Annex F (Price List).

17. Bank Guarantee

The Other Licensed Operator shall provide stc with an unconditional bank guarantee the value and terms of which shall be agreed upon by stc and the Other Licensed Operator in the Interconnection and/or any other Wholesale Services Agreement. This amount shall not exceed the value of two (2) Calendar Months forecasted invoices for stc Services.

stc reserves the right to waive the requirement for the bank guarantee set out in Clause 16.

Where the Other Licensed Operator is required to issue a bank guarantee in accordance with Clause 16 stc reserves the right to require the value of the bank guarantee to be reviewed and if appropriate amended every six (6) Calendar Months from the date of signing the Interconnection and/or any other Wholesale Services Agreement.

18. Staff Safety and Network Protection

Each Licensed Operator is responsible for the safe operation of its Network and shall take all reasonable and necessary steps in its operation and implementation of the Interconnection Agreement to ensure that its Network does not:

- a) Endanger the safety or health of employees, contractors, agents, customers of the other Licensee or the general public, or
- b) Damage, interfere with or cause any deterioration in the operation of the other Licensee's Network.

Neither stc nor the Other Licensed Operator shall connect or knowingly permit the connection to its Network of any equipment or apparatus, including, but not limited to, any terminal equipment that is not approved by CITC in accordance with Chapter 12 of the Bylaw.

19. Confidentiality and Disclosure

stc and the Other Licensed Operator shall conclude a confidentiality agreement as part of the Interconnection and/or any other Wholesale Services Agreement. This will follow normal practice and provide for the non-disclosure of confidential information to third parties, except to CITC, and as provided for under the laws of the Kingdom.

Information provided by one Licensed Operator to the other for the purposes of Interconnection shall only be used by relevant staff within the receiving Licensed Operator's company for the purposes of Interconnection and shall not be made generally available within the receiving Licensed Operator's company.

Subject to the confidentiality obligations of stc or the Other Licensed Operator to a third party, either stc or the Other Licensed Operator may request, and the other shall provide, information on protocols in use by that third party which are required for Interconnection, conveyance of Calls or the provision of services specified in this RO if such other third party has relevant information and the provision of such information is necessary as a consequence of the absence or incompleteness of international standards.

Notwithstanding any provision of this RO, stc or the Other Licensed Operator shall not be obliged to provide information which is subject to a confidentiality obligation to a third party unless such third party consents to such disclosure and stc or the Other Licensed Operator, as appropriate, has taken all reasonable steps to secure the consent of such third party.

The Disclosing Party shall use reasonable endeavours to ensure that information disclosed is correct to the best of its knowledge at the time of provision of such information.

Subject to Clause 25, Limitation of Liability, hereof, the Receiving Party shall indemnify the Disclosing Party and keep it indemnified against all liabilities, claims, demands, damages, costs and expenses arising as a consequence of any failure by the Receiving Party to comply with its confidentiality obligations as per this Clause 19.

Nothing in this RO shall require a Licensed Operator to do anything in breach of any statutory or regulatory obligation of confidentiality, including without prejudice to the generality of the foregoing, any obligation pursuant to KSA legislation or regulation.

20. Resolution of Disputes

In the event of any dispute arising between the Licensed Operators relating to or arising out of an Interconnection Agreement, including the implementation, execution, interpretation, rectification, termination or cancellation of the Interconnection Agreement, the Licensed Operators shall declare a Dispute for resolution under this Clause 19.

The Dispute resolution procedure in this Clause 19 has three levels:

- (a) Level 1: Resolution at an operational level
- (b) Level 2: Referral of the Dispute to senior management level of the Licensed Operators
- (c) Level 3: Referral to CITC.

For resolution at Level 1, the Licensed Operators shall meet within ten (10) Business Days of receipt of written notice of the Dispute by one Licensed Operator to the other (or such longer time as mutually agreed by the Parties) to negotiate in good faith in an effort to settle such Dispute.

Subject to Clause 0, provided that the period during which the Parties have been negotiating in good faith is not less than thirty (30) Calendar Days and in circumstances where the Parties have met, negotiated in good faith and failed to resolve the Dispute then either Party may refer the matter to senior management (Level 2) for resolution.

The period of thirty (30) Calendar Days given in Clause 0 herein is in addition to the time taken for the Parties to meet as set out in 19.

Subject to Clause 0, provided that the period during which the Parties have been negotiating in good faith is not less than twenty (20) Calendar Days and in circumstances where the Parties have met, negotiated in good faith and failed to resolve the Dispute then either Party may refer the matter to the CITC (Level 3) for resolution in accordance with the laws of the Kingdom.

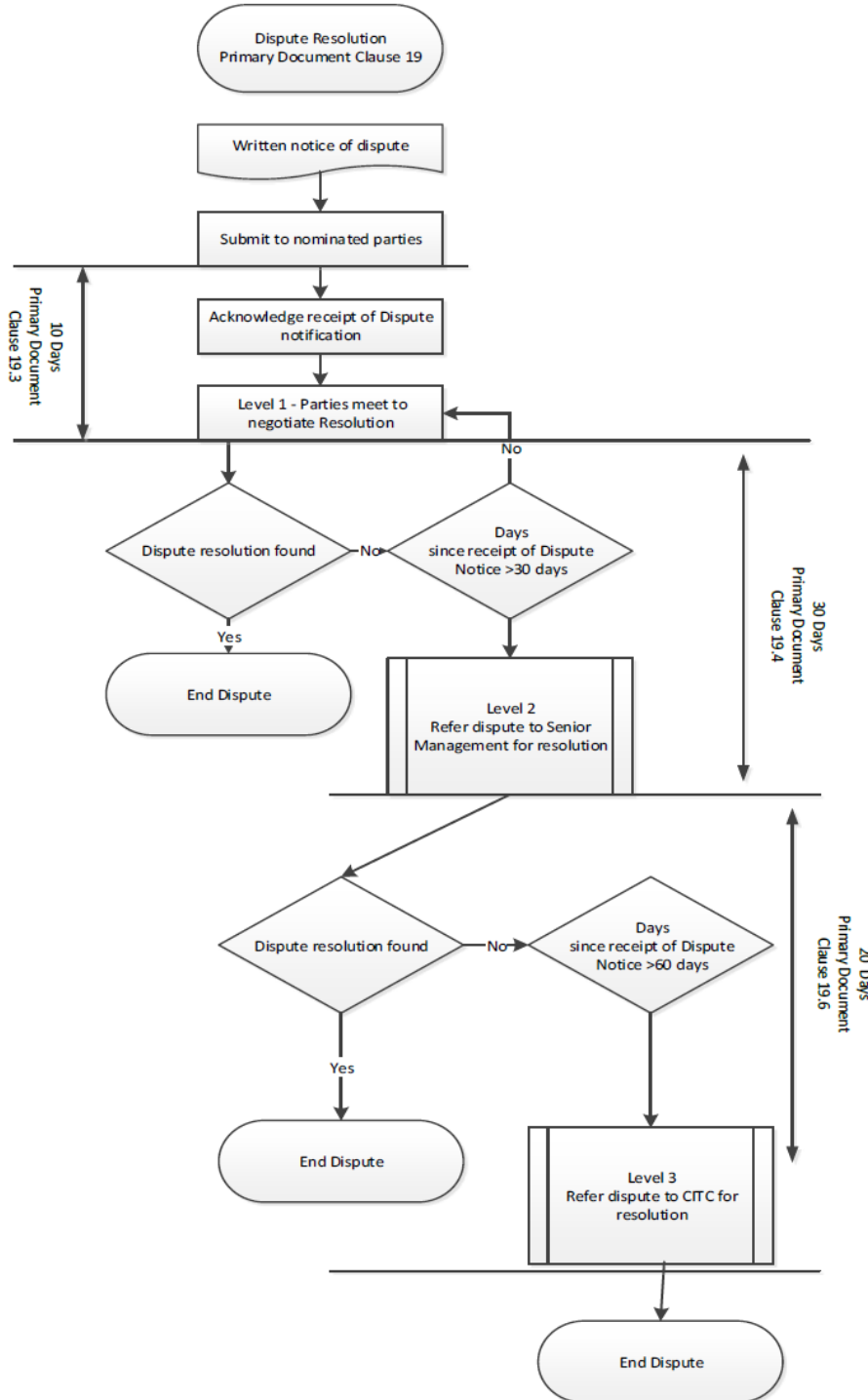
The period of twenty (20) Calendar Days given in Clause 0 herein is in addition to the time taken for the Parties to meet as set out in 19 and 0.

A request for resolution by CITC should be made in writing to:

His Excellency the Governor of Communications and Information Technology
Communications and Information Technology Commission
P.O. Box 75606
Riyadh 11588

Each Licensed Operator will continue to fulfil its lawful obligations pending any Dispute resolution, and shall keep their networks connected for the provision and conveyance of calls between their respective networks.

Dispute resolution Flow Diagram



21. Breach, Suspension and Termination

If one Licensed Operator's Network seriously and adversely affects the normal operation of the other Licensed Operator's Network, or is a threat to any person's safety, the affected Licensed Operator shall immediately inform the affecting Licensed Operator. The affecting Licensed Operator shall take immediate action to isolate and resolve the problem and in the event that normal operation is not restored in a reasonable period of time or if the matter is extreme, the affected Licensed Operator may suspend, to the extent necessary, such of its obligations under this RO, and for such period as it may consider reasonable to ensure the normal operation of its Telecommunications System or to reduce the threat to safety. Such suspension(s) shall be notified in writing to both the Other Licensed Operator and CITC and may continue unless CITC instruct otherwise or the problem is resolved.

If either Licensed Operator is in material breach of any provisions of the Interconnection Agreement (or other Wholesale Services Agreement) consequent upon this RO (including failure to pay an undisputed sum due hereunder), the Licensed Operator may serve a written notice (the "breach notice") on the Licensed Operator in breach, copied to CITC, specifying the breach and requiring it to be remedied as well as stating the consequences of failure to remedy including potential suspension or termination.

If the Licensed Operator in breach fails to remedy the breach within twenty eight (28) Calendar Days of receipt of the breach notice, the other affected Licensed Operator may, until such breach is remedied, action the consequences stated in the breach notice including suspend performance of such of its obligations made under the Interconnection Agreement (or other Wholesale Services Agreement) pursuant to this RO as is reasonable in the circumstances. Such suspension shall be notified in writing to CITC.

If the Licensed Operator in breach fails to remedy the breach within twenty eight (28) Calendar Days of receipt of the breach notice, the affected Licensed Operator may terminate the Interconnection Agreement (or other Wholesale Services Agreement) with the Licensed Operator in breach on three (3) Calendar Months' written notice to both the Licensed Operator in breach as well as CITC. If the Licensed Operator in breach remedies the breach within such three (3) Calendar Months' notice period, the Interconnection Agreement (or other Wholesale Services Agreement) shall not be terminated as a result of such notice. Such termination shall be notified in writing to CITC and may be implemented unless CITC instruct otherwise.

The Interconnection Agreement (or other Wholesale Services Agreement) may be terminated by either Licensed Operator by written notice forthwith to both the Licensed Operator in breach as well as CITC (or on the termination of such other period as such notice may specify) if any one of the following occurs;

- a) The Other Licensed Operator formally commences bankruptcy proceedings;
- b) Bankruptcy proceedings are formally commenced against the Other Licensed Operator;
- c) The Other Licensed Operator ceases to carry on business.

Either Licensed Operator may terminate the Interconnection Agreement for justifiable reason by giving at any time to the other not less than twenty four (24) Calendar Months written notice.

After a notice has been issued pursuant to Clause 0 a Licensed Operator may request the other Licensed Operator to carry on good faith negotiations with a view to entering into a new agreement.

Following a request pursuant to Clause 0, if, on termination of the Interconnection Agreement, either Licensed Operator would be obliged under its licence to enter into a new Interconnection Agreement with the Other Licensed Operator then stc and the Other Licensed Operator shall carry on good faith negotiations with a view to entering into a new Interconnection Agreement to take effect on the expiry of the terminating Interconnection Agreement.

Upon expiry of the Interconnection Agreement each Licensed Operator shall take such steps and provide such facilities as are necessary for recovery by the Licensed Operator of equipment (if any) supplied by that Licensed Operator. Each Licensed Operator shall use reasonable endeavours to recover equipment made available by it.

If thirty (30) Calendar Days after the expiry of the Interconnection Agreement, a Licensed Operator fails to recover all equipment because of the acts or omissions of the other Licensed Operator (or a third party appearing to have control of a site where such equipment is situated) without reasonable cause, the first Licensed Operator may demand reasonable compensation from the other Licensed Operator which shall be paid by the other Licensed Operator within thirty (30) Calendar Days of the date of the demand.

Without prejudice to a Licensed Operator's rights upon expiry of the Interconnection Agreement, a Licensed Operator shall refund to the other a fair and equitable proportion of those periodic sums (if any) paid under the Interconnection Agreement for a period extending beyond the date of such termination or expiration.

Expiry of the Interconnection Agreement shall not be deemed a waiver or a breach of any term or condition thereof and shall be without prejudice to a Licensed Operator's rights, liabilities or obligations that have accrued prior to such expiry.

22. Intellectual Property Rights

Except as expressly otherwise provided in the Interconnection and/or any other Wholesale Services Agreement, intellectual property rights shall remain the property of the Licensed Operator creating or owning the same and nothing in this RO or the Interconnection and/or any other Wholesale Services Agreement shall be deemed to confer any right or title whatsoever or licence of the intellectual property rights of one Licensed Operator to the other, and nothing in the Interconnection and/or any other Wholesale Services Agreement shall be deemed to restrict the rights of any Licensed Operator to own, use, enjoy, license, assign or transfer its own intellectual property rights.

23. Review

stc and / or the Other Licensed Operator may seek to amend the Interconnection Agreement (or other Wholesale Services Agreement) pursuant to this RO by serving on the other a review notice if:

1. Either Licensed Operator's licence is materially modified (whether by amendment or replacement); or
2. stc's obligations under the Interconnection Rules are materially altered; or
3. A material change occurs in the law or regulations governing telecommunications in the Kingdom; or
4. The Interconnection Agreement makes express provision for a review or the Licensed Operators agree in writing that there shall be a review; or
5. A material change occurs, including enforcement action by any regulatory authority, which affects or reasonably could be expected to affect the commercial or technical basis of the Interconnection Agreement; or
6. The rights and obligations under the Interconnection Agreement are assigned or transferred by the Other Licensed Operator; or
7. There is a general review pursuant to Clause 0 hereof.

A review notice shall set out in reasonable detail the issues to be discussed between stc and the Other Licensed Operator.

A Licensed Operator may initiate a general review of the Interconnection Agreement by serving a review notice during the period of three (3) Calendar Months commencing on 1st July in any year.

A review shall take place following changes either mandated or approved by CITC to this RO. Any such changes shall be effective based on the timeframes as set out in the revised Offer.

On service of a review notice, stc and the Other Licensed Operator shall forthwith negotiate in good faith the matters to be resolved with a view to agreeing the relevant amendments to the Interconnection Agreement.

For the avoidance of doubt, stc and the Other Licensed Operator agree that notwithstanding service of a review notice, the Interconnection Agreement shall remain in full force and effect.

If stc and the Other Licensed Operator fail to reach agreement on the subject matter of a review notice the provisions of Clause 20, Resolution of Disputes, hereof shall apply.

stc and the Other Licensed Operator shall enter into an agreement to modify or replace the Interconnection Agreement (or other Wholesale Services Agreement) in accordance with what is agreed between the Licensed Operators.

stc shall periodically update this RO to take account of any appropriate changes to the Interconnection Agreements (or other Wholesale Services Agreement), the Interconnection Rules published by CITC or the Interconnection services (or other Wholesale Services) offered by stc under this RO. Such amendments will be submitted to CITC for approval no less than 30 Calendar Days prior to the effective date of any such changes.

24. Force Majeure

Neither stc nor the Other Licensed Operator shall be liable for any breach of the Interconnection Agreement (or other Wholesale Services Agreement) caused by force majeure, including but not limited to insurrection or civil disorder, war or military operations, national or local emergency, acts or omissions of government, highway authority or other competent authority, act of any Government or other Authority, compliance with law, regulations or demands of any Government or governmental agency, industrial disputes of any kind (whether or not involving either stc's or the Other Licensed Operator's employees, provided that in circumstances where the industrial dispute involves its own employees, the Party relying on the force majeure has taken all reasonable actions to prevent such industrial disputes from arising), fire, lightning, explosion, flood, earthquake, subsidence, weather of exceptional severity, acts or omissions of persons for whom neither Licensed Operator is responsible or any other cause whether similar or dissimilar outside its reasonable control.

The Licensed Operator initially affected by a force majeure shall as soon as is reasonably practicable notify the other of the force majeure. The Licensed Operator initially affected by the force majeure will subsequently provide notification of the estimated extent and duration of its inability to perform or delay in performing its obligations (“force majeure notification”).

Upon cessation of the service effects of the force majeure the Licensed Operator initially affected by a force majeure shall promptly notify the other of such cessation.

If as a result of a force majeure, the Licensed Operator is prevented from performing its obligations under this RO, such Licensed Operator shall, subject to the provisions of Clause 0 perform those of its remaining obligations not affected by a force majeure. In performing those of its obligations not affected by a force majeure, the Licensed Operator initially affected by a force majeure shall deploy its resources such that (when taken together with other obligations to its customers and third parties) there is no undue discrimination against the other Licensed Operator.

To the extent that a Licensed Operator is prevented as a result of a force majeure from providing all of the services or facilities to be provided under this RO, the other Licensed Operator shall be released to the equivalent extent from its obligations to make payment for such services or facilities or complying with its obligations in relation thereto.

Following a force majeure notification and if the effects of such force majeure continue for:

- I. a continuous period of not more than six (6) Calendar Months from the date of the force majeure notification (whether or not notice of cessation has been given pursuant to Clause 0) any obligation outstanding shall be fulfilled by the Licensed Operator initially affected by the force majeure as soon as reasonably possible after the effects of the force majeure have ended, save to the extent that such fulfilment is no longer possible or is not required by the other Licensed Operator.

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- II. a continuous period of six (6) calendar months or more from the date of the force majeure notification (and notice of cessation has not been given pursuant to Clause 0), the Licensed Operator receiving the force majeure notification shall be entitled (but not obliged) to terminate the Interconnection Agreement (or other Wholesale Services Agreement) by giving not less than thirty (30) Business Days written notice to the other Licensed Operator, provided that such notice shall be deemed not to have been given if notice of cessation is received by the Licensed Operator receiving the force majeure notification prior to the expiry of the thirty (30) Business Days' notice. If the Interconnection Agreement (or other Wholesale Services Agreement) is not terminated in accordance with the provisions of this Clause I, any obligations outstanding shall be fulfilled by the Licensed Operator initially affected by the force majeure as soon as reasonably possible after the effects of the force majeure have ended, save to the extent that such fulfilment is no longer possible or is not required by the other Licensed Operator.

25. Limitation of Liability

Subject to Clause 21, Breach, Suspension and Termination, if either Licensee is in breach of any of its obligations under the Interconnection Agreement (or other Wholesale Services Agreement) pursuant to this RO (excluding obligations arising under this RO to pay moneys), liability shall be limited to three million Saudi Riyals (SAR 3,000,000) for any one event or series of connected events and seven million Saudi Riyals (SAR 7,000,000) for all events (connected or unconnected) occurring in a Hijri calendar year.

26. Assignment of Rights and Obligations

Without prejudice to the Interconnection Agreement (or other Wholesale Services Agreement) pursuant to this RO no rights, benefits or obligations made under the Interconnection Agreement (or other Wholesale Services Agreement) may be assigned or transferred, in whole or in part, by a Licensed Operator without the prior written consent of the other Licensed Operator, such consent not to be unreasonably withheld.

27. Notices

A notice shall be duly served if:

- a) delivered by hand, and exchanged for a signed receipt, at the time of actual delivery;

- b) sent by facsimile, upon its receipt being confirmed in the first instance by phone between nominated persons and followed in writing;
- c) sent by recorded delivery service, two (2) Business Days after the day of despatch.

Except if otherwise specifically provided all notices and other communications relating to an acceptance of this RO shall be in writing and shall be sent to the contact points and addresses as set out in the Interconnection Agreement.

28. Waiver

The waiver of any breach of, or failure to enforce, any term or condition resulting from an acceptance of this RO shall not be construed as a waiver of any other term or condition of this RO. No waiver shall be valid unless it is in writing and signed on behalf of the Licensed Operator making the waiver.

29. Severability

The invalidity, unenforceability of any provision in the Interconnection Agreement (or other Wholesale Services Agreement) shall not affect the validity or enforceability of the remaining provisions.

30. Amendments

Amendments and supplements to this RO, including its Annexes, Appendices, Attachments and Service Schedules, shall be issued with not less than twenty eight (28) Calendar Days' notice subject to the approval of CITC.

31. Governing Law

The interpretation, validity and performance of this RO shall be governed in all respects by the laws of the Kingdom and stc and the Other Licensed Operators submit to the exclusive jurisdiction of the Courts of the Kingdom.